



December 14, 2004
VOL. 07 NO. 50

INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

China Seeks International Recognition as a Market Economy

China officially joined the World Trade Organization in 2001 with the agreement that China be treated as an economy in transition (non-market economy) until 2016. As a non-market economy, China is subject to antidumping procedures at the WTO. Since then, China has actively pursued recognition as a market economy while building economic ties with other countries. Discussions about Free Trade Agreements have been tied to China's designation as a market economy.

In June 2003, China lodged a request with the European Commission for Market Economy Status (MES) and provided supporting documentation. The European Commission's preliminary assessment acknowledged China's economic progress. However, the EC said shortcomings remained in areas of state influence, corporate governance, property and bankruptcy law, and the financial sector. The EU has adopted trade defense rules to all individual companies to claim market economy status if the could prove that their prices and costs were not influenced by the State and 28 companies have been found acceptable.

In a 2003 study, the eight countries with the most cases filed against China were the U.S., E.U., Australia, Canada, India, Argentina, South Africa and Brazil. As of June 28, 2004, the EC had 32 antidumping measures in force and 22 ongoing antidumping investigations against China. The US had 52 antidumping measures in force against China as of October 1, 2004. Canada had 12 active cases as of December 1, 2004.

Countries Granting China Market Economy Status: Argentina, Brazil, Chile, Egypt, Georgia, India, Kyrgyzstan, Myanmar, New Zealand, Nigeria, Pakistan, Peru, South Africa, Togo, ASEAN

Countries Seeking FTA with China: Australia, New Zealand, Chile, Peru, South Africa, Pakistan, ASEAN, GCC

ASEAN consists of Brunei, Indonesia, Malaysia, Singapore, Thailand, the Philippines, Burma, Cambodia, Laos and Vietnam.

GCC members are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

In April 2004, New Zealand became the first country to grant China MES. Singapore, Malaysia, Kyrgyzstan, Thailand, Benin, Togo, Pakistan, India, Egypt, South Africa, Brunei, Cambodia, Georgia, Indonesia, Laos, Myanmar, the Philippines, Nigeria and Vietnam gave positive responses to China's request for MES.

China's President Hu Jintao made his first visit to South America as Chinese president in November 2004, when he attended the Asia-Pacific Economic Cooperation (APEC) forum in Santiago, Chile. The 21 APEC economies represent over 60 percent of global GDP and 47 percent of world trade. During his 10 day visit, Hu described China as a country that could invest in other nations.

Chile's President Lagos and China's President Hu agreed to initiate negotiations for a Free Trade Agreement (FTA) and President Lagos ratified Chile's official recognition of the People's Republic of China's market economy status.

While in South America, China agreed to open its market to poultry and beef from Argentina and Brazil. Those items had been banned in China. China also designated Argentina and Brazil as preferred tourist destinations for millions of Chinese tourists.

Hu suggested China would invest up to \$100 billion in Latin America over a ten-year period, including between \$5 to \$7 billion in investments to improve Brazil's transportation network, and a financing plan to expand Argentina's railway system. China also agreed to support Brazil's drive for a permanent seat on the UN Security Council and Brazil recognized China as a market economy. Argentina and Peru also recognized China as a market economy. However, Brazil's influential Federation of Industries warned the designation would hurt Brazil's own industry and Argentine industrialists feared a flood of cheap products from China.

At the 10th annual Association of the Southeast Asian Nations (ASEAN) meeting held in Laos, November 28-30, China and the 10 ASEAN countries signed an accord to create the world's largest free trade area by removing tariffs by 2010.

In January 2005 China will begin a first round of FTA negotiations with the six nation Gulf Cooperation Council (GCC). The GCC holds 45 percent of the world's oil reserves and 20 percent of oil production, which could help supply China's increasing demand for oil.

Sources: World Trade Organization, White House press release, US International Trade Commission, US Trade Representative's Trade Facts, Canada Border Services Agency, "China and Anti-Dumping War against China" Seton Hall University, European Commission, news wires

Japan Imports: Egg Products in Metric Tons

	Powdered			
	Whole Eggs	Powdered Yolks	Powdered Albumen	Total
2003				
July	231.8	157.0	838.8	1,227.6
August	251.9	188.2	566.9	1,007.0
September	317.8	178.1	666.5	1,162.4
YTD	2,004.2	1,676.9	6,370.9	10,052.0
2004				
July	177.5	235.4	945.7	1,358.6
August	301.4	161.9	920.6	1,383.9
September	246.5	150.2	759.8	1,156.5
YTD	2,148.9	1,737.6	7,719.4	11,605.9

Source: ALIC Monthly Statistics

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending December 4, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Liquid	705	354	18,069	16,223
Frozen	0	0	36	96
Dried	43	0	816	551
Total	748	354	18,921	16,870

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending December 4, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Liquid	99	2	7,470	5,075
Frozen	3	88	1,519	3,604
Dried	80	32	2,113	1,211
Total	182	122	11,102	9,890

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending December 4, 2004	Year-To-Date			
TYPE	2004	2003 1/	2004 2/	2003
Jumbo	0	66	392	570
Extra Large	3,360	2,370	167,247	36,188
Large	4,020	6,390	337,481	136,273
Medium	2,526	1,849	117,874	62,555
Ungraded	2,940	3,330	322,421	183,392
Misc	0	0	16,790	14,222
Total	12,846	14,005	962,205	433,200

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Dec 10, 2004				
CHICKEN				
PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	19.00	61,200	-
WTD AVERAGE		19.00		
15-20%				
RANGE	13.75-19.00	12.00-18.00	1,882,000	964,800
WTD AVERAGE	14.99	14.05		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 04-Dec-04 (PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,413	1,465	2,878
Last Week	796	747	1,543
Same week yr ago	1,399	1,437	2,836
To-date/2004	65,378	65,182	130,560
To-date/2003	68,079	67,383	135,462

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	335	0	335
Last Week	288	0	288
Same week yr ago	250	4	254
To-date/2004	11,691	137	11,828
To-date/2003	10,343	141	10,484

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,748	1,465	3,213
Last Week	1,084	747	1,831
Same week yr ago	1,649	1,441	3,090
To-date/2004	77,069	65,319	142,388
To-date/2003	78,422	67,524	145,946

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Dec 10, 2004				
CHICKEN				
PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00-18.50	18.75-22.00	632,000	312,000
WTD AVERAGE	18.25	20.38		
15-20%				
RANGE	16.00-22.00	18.00-20.00	2,237,000	1,677,000
WTD AVERAGE	20.16	18.86		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 10 DECEMBER 2004.

The market tone on fresh white meat was mostly steady. Demand slow to moderate. Even though continued export interest was noted from Canada on fresh tom breast meat, domestic demand continued to show signs of seasonally slowing. Offerings light to adequate. Frozen white meat market tone mostly steady. Demand slow for the spotty offerings. Supplies are held with confidence even though additional product may be frozen due to the seasonal slowing of the further processed demand. The market tone was mostly steady on tom bulk parts with some industry members noting less discounting than previously reported. Demand uneven and ranged slow to moderate. Offerings of tom bulk parts light to instances fully adequate, mostly light to adequate. Undertone steady on 4-8 lb. breasts. Demand slow to moderate for the light to adequate supplies. Trading was moderate on fresh white meat, light on the balance of items. For domestic: frozen livers 23.50, frozen yearling hen drums 26, fresh tom wings 49, fresh scapula 121-122, fresh breast trim 140-145 cents delivered. For export: yearling tom drums 38, defatted gizzards 55, fresh thigh meat 89-90 mostly 89 cents delivered.

FRIDAY, DECEMBER 10, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	40	39.00	120
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		W	24.00	100	24.00	100
MECHANICALLY SEPARATED 2/		W	21.00	156	20.72	216
THIGH MEAT - FROZEN	85.00-86.00		85.40	200	85.60	300

THURSDAY, DECEMBER 09, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	39.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		W	24.00	100
MECHANICALLY SEPARATED 2/		W	21.00	156
THIGH MEAT - FROZEN		T	86.00	100

WEDNESDAY, DECEMBER 08, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	39.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	24.00		24.00	100
MECHANICALLY SEPARATED 2/	21.00		21.00	156
THIGH MEAT - FROZEN		T	86.00	100

TUESDAY, DECEMBER 07, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	20.00		20.00	60
THIGH MEAT - FROZEN	86.00		86.00	100

MONDAY, DECEMBER 06, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	37.75	160
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		F	19.30	276
THIGH MEAT - FROZEN		F	85.00	80

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.